

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification for the)	Docket No. 11-AFC-2
Hidden Hills Solar Electric Generating)	
System.)	
_____)	

**HIDDEN HILLS SOLAR ELECTRIC GENERATING SYSTEM
STATUS REPORT #3**

The Committee Scheduling Order issued on November 16, 2011, requested that the parties file monthly status reports to inform the Committee on the progress of the case. This Status Report for the Hidden Hills Solar Electric Generating System ("HHSEGS"), filed by Hidden Hills Solar I, LLC and Hidden Hills Solar II, LLC (collectively, the "Applicant"), provides a status of the proceeding since the issuance of Status Report #2 dated February 15, 2012.

DATA REQUEST/RESPONSES

Since February 15, 2012, Applicant has received 21 additional data requests (Data Requests 156 - 176, Biological Resources) for which it is currently preparing responses. On March 5, Applicant provided responses to 12 Data Requests in the areas of Air Quality, Traffic and Transportation (Glint and Glare), Visual Resources, and Biological Resources.

Applicant has participated in seven CEC workshops, five in Sacramento and two in Tecopa. It is Applicant's understanding that an additional workshop in the project area may be scheduled for the end of March.

TECHNICAL AREAS

Below is an update on the technical areas addressed in Status Report #3. The technical areas identified were included in Staff's Issues Identification Report as having potentially significant issues. Each of these technical areas is discussed below.

1. Alternatives

On February 9, 2012, Applicant filed Data Responses (Set 2A) pertaining to an alternative solar plant site (the Sandy Valley Alternative) and alternative solar

technologies. Applicant believes that these responses to Staff's requests should address Staff's questions and enable Staff to complete its Alternatives analysis. In addition, Applicant has provided Staff with information from Bloom Energy on its Bloom Box fuel cell technology.

2. Biological Resources

A workshop on Biological Resources was held on February 22 in Sacramento. At that workshop, Staff and California Department of Fish and Game ("CDFG") representatives provided an update on discussions they and the U.S. Fish and Wildlife Service ("USFWS") have had regarding desert tortoise mitigation. While those discussions are ongoing, Applicant appreciates that the agencies are engaged in these discussions, and hopes that the agencies will continue to include Applicant in the dialogue regarding desert tortoise mitigation. Applicant believes that preliminary strategies for desert tortoise mitigation can be identified prior to the issuance of the Preliminary Staff Assessment, with desert tortoise mitigation measures finalized prior to issuance of the Final Staff Assessment.

As reported last month, Applicant continues to work with CDFG to identify a location to translocate every desert tortoise found on site prior to and during construction of the HHSEGS. The best and most appropriate habitat for translocating tortoise exists in Nevada on the east side of the Project. Applicant is continuing to work with CDFG on this issue.

Special status plants were also discussed at the February 22 workshop. Historically, the area surrounding the Project has not been extensively surveyed for botanical resources. Applicant conducted fall and spring protocol-level botanical surveys of the project site and buffer zones, and surveyed additional parcels in the surrounding area during offsite botanical surveys to gain a better understanding of the distribution and occurrences of the special status plants found on the project site. Additional focused botanical surveys of the project site and offsite will be conducted this spring.

Based on Applicant's survey reports submitted to date, Staff has identified which special status plants are of potential concern to Staff. Staff and Applicant have also exchanged information on the data available regarding the distribution of the special status plant species found on site to ensure that all available information is being considered in Staff's analysis.

Regarding the state waters delineation, the Applicant met with CDFG to discuss the draft state waters delineation. The report is now being finalized and will be submitted before the end of March.

Applicant submitted five biological resource reports during the reporting period. The biological reports and documents that have been submitted or will be submitted to the CEC, CDFG, and USFWS are listed below:

Submitted

- Revised Presence/Absence Survey for the Desert Tortoise and other Sensitive Wildlife, Submitted in Data Response Set 1B, December 5, 2011;
- Preliminary Draft Desert Tortoise Translocation Plan, Submitted in Data Response Set 1B, December 5, 2011;
- Golden Eagle Study Plan, Submitted in Data Response Set 1B, December 5, 2011;
- Resource Summary for Phase I and Phase II Burrowing Owl Surveys, submitted in Data Response Set 1B, December 5, 2011;
- Draft Application for Incidental Take of Threatened and Endangered Species Section 2081 of the California Endangered Species Act, submitted in Data Response Set 1B, December 2011;
- Spring 2011 On-site Survey Botany Report, submitted in Data Response Set 1B-2, submitted in December 2011;
- Spring 2011 Off-site Botany Survey Report, submitted in Data Response Set 1B-3, submitted in January 2012
- Late Season On-site Botany Survey Report, submitted in Data Response Set 1B-3, submitted in January 2012
- Fall Golden Eagle Helicopter Survey Report, submitted in Data Response Set 1B-3, submitted in January 2012
- Wintering Burrowing Owl Report, submitted in March 2012
- Winter 2012 Bat Survey Report, submitted in March 2012
- Winter Golden Eagle Use Survey Report, submitted in March 2012
- Draft state waters delineation, submitted to CDFG in March 2012
- Winter Avian Point Count Survey Report, submitted in March 2012

To Be Submitted

- Final state waters delineation, to be submitted in March 2012
- CDFG 1600 Application for State Waters to be submitted in March/April 2012
- 401 Certification Application to the RWQCB for Federal and State Waters to be submitted in March/April 2012
- Follow-up Golden Eagle Nest Surveys, report to be submitted late spring/early summer 2012
- Phase III Burrowing Owl Survey Report, to be submitted in Spring 2012
- Anabat Monitoring Report First Quarter Results, to be submitted in April 2012
- 404 Application to the Army Corp of Engineers for Federal Waters to be submitted in mid-2012
- Biological Assessment from the Bureau of Land Management for submittal to the USFWS; to be submitted to the CEC once it has been deemed complete by the USFWS.

3. Cultural Resources

Following the January Status Conference, Staff and Applicant reached an agreement on certain Data Requests that were at issue between the parties. Applicant committed to providing information on the majority of the Data Requests to which it had initially objected, and Staff withdrew Data Requests 109, 129, 130, 131, and 132 on February 3, 2012. Applicant is still awaiting clarification from Staff on Data Requests 105 and 106 (research design for investigating the step fault zone) so that it can prepare its responses. In addition, Applicant submitted its response to Data Request 127 (the development of a work plan to evaluate a specific subset of the known cultural resources on the project site) on February 6, 2012. Once Staff approves the work plan, Applicant can then respond to Data Request 128, which calls for implementation of the work plan.

Without waving its objection, Applicant has completed a technical report assembling available information on potentially prehistoric and historic trails and roads in the project vicinity, including segments of the Old Spanish Trail, in response to Data Request 125. Applicant has shared the progress of its investigation with Staff, and will submit the formal technical report this month.

In Staff's Status Report #2, it stated that, "the Applicant has not yet committed to undertaking the completion of Data Requests 121 and 134." Applicant does not concur with this assessment. Regarding Data Request 121 (evaluation of cultural resources on the project site as subsets of archaeological districts beyond the project area of analysis), a response was submitted January 6, 2012. It was also noted in Data Response 127 that additional information pertaining to Data Request 121 would be available after implementation of the testing program described in Data Request 128. For Data Request 134 (discussion on the potential for agricultural activities in the project area of analysis), a thorough response was provided to the Staff on January 6, 2012.

As stated in Status Report #2, given the discussion with Staff and the information provided by Applicant to date, Applicant believes that the Staff currently has the information it needs to complete its Preliminary Staff Assessment analysis, and has had ample time since receipt of the Data Responses to prepare its analysis.

4. Land Use and Socioeconomics

On March 13, 2012, Applicant participated in a workshop held by Inyo County Staff that discussed the estimated fiscal impacts to the County identified by the heads of various Inyo County departments, and presented an update of the Project to the Inyo County Board of Supervisors. The Board of Supervisors encouraged the Project to work closely with the department heads to understand the costs identified by the County, and to ensure that Inyo County Staff has the requisite information to understand the potential impacts from the Project. Applicant has expressed its

willingness to file a general plan amendment application with the County, and is continuing to actively engage in discussions with Inyo County to ensure that Applicant's concerns, including those regarding schedule, are addressed.

5. Visual Resources

Applicant continues to work with Staff to address visual resource related questions. Based on Staff's evaluation of the visual simulations contained in the AFC and discussions between the Staff and Applicant, Applicant has agreed to revise the simulation from Key Observation Point 5. The simulation will be provided to Staff no later than April 1. It is Applicant's understanding that this will not affect Staff's ability to complete its analysis.

6. Water Resources

Applicant completed its aquifer performance test in February. The test was conducted using two existing wells on the project site. In addition, monitoring wells were installed on site and at Stump Springs to track water level changes. The test measured the transmissivity, storage, leakance, and boundary conditions of the aquifer. The data indicates that the aquifer can sustainably supply the water needed to support the Project during both operations and construction with negligible impact on neighboring wells or water-dependent vegetation.

Applicant apprised Staff and Inyo County of the test results immediately after completing the test in late February. In addition, Applicant provided a summary of the aquifer performance test results in its response to Data Request 141 filed on March 8, 2012. Applicant is currently preparing a report that will include additional details on the testing, installation and logging of monitoring wells, water quality data results, and appendices containing data associated with the test. This report will expand upon the summary already provided to Staff, and will include a more detailed discussion and analysis supporting the conclusion that groundwater pumping will not affect groundwater dependent vegetation. It is anticipated that this report will be completed by the end of March.

7. Transmission System Engineering

As stated during the January Status Conference, HHSEGS is undergoing the Cluster Study process with the California Independent System Operator (CAISO), like every other project before the Commission. The Phase I Cluster Study results have been released. The draft report for the HHSEGS project is available and will be filed under a request for confidential designation with the CEC on March 19, 2012.

SCHEDULE

At the last Status Conference, Applicant proposed a schedule which indicated that the PSA would be released by April 13 and the FSA would be released by July 31,

2012. The April 13 date is the same date proposed in Staff's Status Reports # 1 and 2. Even though April 13 is a delay in the date set forth in the Committee's Scheduling Order, this date would still allow the Commission to issue a timely decision on the Application consistent with the Commission's statutory deadline. At the last status conference Staff supported this schedule. At this same status conference, the Committee encouraged the parties to move forward as quickly and efficiently as possible. Pursuant to the Committee's direction, the Applicant looks forward to the issuance of the PSA on or before April 13.

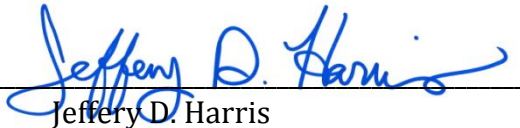
CONCLUSION

Progress is being made on the resolution of outstanding issues. The Applicant looks forward to timely completion of this proceeding.

March 15, 2012

Respectfully submitted,

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STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

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PROOF OF SERVICE

I, Karen A. Mitchell, declare that on March 15, 2012, I served the attached *Hidden Hills Solar Electric Generating System Status Report #3*, via electronic and U.S. mail to all parties on the attached service list.

I declare under the penalty of perjury that the foregoing is true and correct.



Karen A. Mitchell

SERVICE LIST
11-AFC-2

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